

he refused the return of POWs to the north, where they faced possible death. And, in the end, the newly-elected President Eisenhower ended the war on terms that Truman had established months earlier.

Blomstedt ends his book with a quotation from an anonymous Truman hand: "Korea is a place where we have had to learn hard." So, too, did the entire country.

**No More Champagne: Churchill and His Money**

by David Lough

Picador, 532 pages, \$32

**Winston Churchill Reporting: Adventures of a Young War Correspondent**

by Simon Read

Da Capo Press, 309 pages, \$26.99

As the scion of a prominent British family, Winston Churchill nonetheless entered life with two handicaps. Spend-thrift elders, notably his father, had squandered what was left of the fortune accumulated by his forebear, the Duke of Marlborough, the 18th century military hero. And he had not the slightest notion of how to balance his income and spending.

So, at age 20, as a financially-strapped army officer, he used family connections to wheedle permission to cover foreign wars as a correspondent for London newspapers, while retaining his commission. As a spectator, he wrote about the Cuban insurrection against Spain and tribal unrest in India. Then, in a dual role as warrior/reporter, he bloodied his sword in cavalry-charge combat in the Sudan. Taken prisoner in the Boer Wars, his escape drew worldwide headlines.

Simon Read recounts this early journalistic career in prose that reveals Churchill's descriptive skills (and his penchant for high living, as witness the booze he packed for South Africa – generous supplies of wine and 18 bottles of 10-year-old Scotch).

Drawing on his journalism, by age 25 Churchill had published three best-selling non-fiction books and a novel, and earned about 4,000 pounds (more than \$100,000 in then-US dollars), which he felt would "carry me through the lean years."

Well, this forecast was wrong, spectacularly wrong, as retired banker David Lough reveals in the

first detailed analysis of Churchill's finances during his career. Churchill's family gave Lough access to decades of financial records. Earlier biographers touched briefly on his financial troubles. Now the family has permitted access to Churchill's accounts that display a financial irresponsibility that is truly mind-boggling.

Even as he struggled, Churchill's spending can only be called "wild." As Lough recounts, during the period 1904-1914, Churchill spent the modern equivalent of \$145,000 annually on wine and other spirits. His liquor merchant let bills run unpaid for years. Churchill finally scrawled on one invoice "no more champagne." Characteristically, he ignored his own admonition. And he lost an average of 40,000 pounds (in today's money) annually gambling in Monaco casinos.

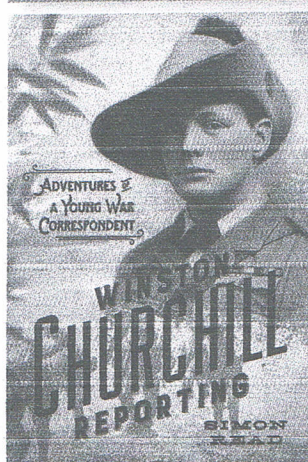
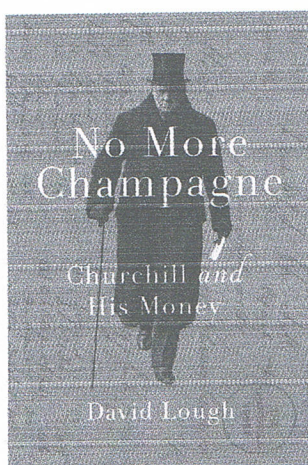
Churchill survived by grinding out articles for a variety of British newspapers and magazines – which as any free-lance writer can attest is an iffy way of earning a living. He flittered from agent to agent, further complicating his affairs. He invested in race horses – a sport for the truly financially foolish.

A speaking tour to the United States brought him comfortable earnings, which quickly vanished when new friend Bernard Baruch, the American financier, introduced him to the stock market. The purchase of a fine country home at the behest of his wife turned out to be a financial sink hole. A supposedly "comfortable" inheritance from an obscure Irish relative was spent away in a decade.

When strapped, Churchill did not hesitate to turn to rich patrons for relief. Sir Henry Strakosch, a co-owner of *The Economist*, bailed him out with "loans" of scores of thousands of pounds, and on his death the estate forgave outstanding debts. Churchill's bankers provided him

a comfortable "overdraft" upon which he could draw, presumably at a hefty interest rate.

Although he eschews any role as armchair psychologist, Lough poses an interesting question. Throughout his life, Churchill complained of what he called the "black dog" – periods of depression so deep they were almost disabling. Did the financial problems trigger these feelings? Whatever, Lough does pose a question. Modern politicians are supposed to have a





bit of financial virtue. Yet, as Lough writes, one of the most prominent political figures of the 20th century "ran up huge personal debts, gambled heavily, lost large amounts on the stock market, avoided tax with great success and paid his bills late."

An extraordinary revelation is how financial woes dogged Churchill during the early 1940s. At the same time that, as Prime Minister, he directed Britain's war effort, he struggled to finish *A History of the English-Speaking Peoples*. He was even forced to rely on ghost writers from time to time both on the book and his articles. He seemed to meet as often with agents, ghosts and editors as he did with cabinet members.

Relative riches did fall upon Churchill in the post-war period, with publication of his six-volume history of the war. Alas, the post-war socialist government had imposed a maximum tax of 97.5 percent, which touched off a years-long scuffle to retain some of the money. His American publishers, including the *New York Times* (which bought newspaper serial rights) put up the money for vacation sojourns in Southern France so he could evade British currency restrictions.

(Churchill's financial woes were certainly no secret in political London. Nonetheless, in 1925 he was made Chancellor of the Exchequer, the British equivalent of Secretary of the Treasury – perhaps the most peculiar decision since the mad emperor Caligula appointed his horse pro-consul of Rome.)

A cautionary note. Unless you happen to be versed in British tax law, Lough's book is a tough read. One struggles through a maze of wills and family trusts, and some unexplained references to the tax status of writers. Lough's editors would have spared me (and other readers of the US edition) much irritating mental arithmetic had money been discussed in terms of dollars, rather than pounds. Or did an American editor even bother to read his book? We find a visitor to New York planning to "go down to Boston," and our beloved IRS is referred to as the "Inland Revenue Service."

Nonetheless, a must-read for readers who still hold Winston Churchill in a much-deserved admiration. Just don't lend him any money.

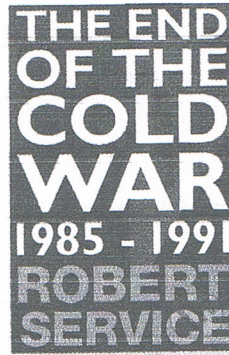
#### ***The End of the Cold War, 1985-1991***

by Robert Service

Public Affairs, 843 pages, \$35

As the Soviet Union teetered towards collapse in 1990, Defense Minister Sergei Akhromeev lamented, "For seventy years the Americans have attempted to destroy our Union and they've finally achieved their end!" But his Politburo colleague, Alexander Bess-

mertnykh, demurred, saying, "It's not they who have destroyed it but ourselves."



Left unmentioned was the outside force that played a semi-nal role in shoving the USSR into oblivion: adroit negotiations by President Ronald Reagan over eight years that (a) forced the Soviets into arms-reduction agreements that lessened the nuclear spectre that had hovered over the world for decades and (b) convinced Moscow that it

could no longer match the US militarily, much less economically.

Robert Service, a long-time British academic and the author of numerous books on the USSR, has produced diplomatic history of the first rank. His story tells of how Reagan dealt not only with strong Soviet opposition to serious disarmament, but with hawkish figures in his own administration who felt that he was going dangerously far.

A strong defense hawk himself, Reagan had a deeper vision: of a world with reduced stockpiles of nuclear weapons, and fewer conventional forces facing one another in Europe. His point man was Secretary of State George Shultz, who gained experience in negotiating with the Soviets as President Nixon's Treasury Secretary in 1973. And, as Service notes, Shultz lacked the driving – often crippling – egos of previous secretaries such as Henry Kissinger and Alexander Haig.

The Soviet leadership realized early-on that it teetered on the brink of economic ruin. The technological lag was particularly acute in such fields as computers. Even the few achievements were overshadowed by reality—for instance, the scientist who observed that when the first nuclear power station opened, "the nearby collective farm was still using a wooden plough."

The Soviet dismay is reflected in archival documents which Service accessed. And here we find fascinating insider reading about the secretive communist regime as it awakened to reality. At a Party Secretariat meeting in August 1979, an economist lamented that the USSR was sixty percent less effective than capitalist societies in replacing manual labor. Exorbitant spending on defense, especially missiles, were showing "few indirect benefits in material comfort or cultural facility." Even hard-liners in the defense agencies "knew that this made no military or economic sense." As one horrified official exclaimed, "The future's being eaten up!"